# GOVERNMENT OF INDIA
# CHEMICALS AND FERTILIZERS
# LOK SABHA

UNSTARRED QUESTION NO:1243
ANSWERED ON:23.07.2002
GOVERNMENT HOLDINGS IN HINDUSTAN ANTIBIOTICS
GADDAM GANGA REDDY

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

(a) Whether the Government have decided to sell 100 per cent holdings in the Hindustan Antibiotics Limited;

(b) If so, the amount with interest this enterprise owes to different banks as on 31.03.2002; and

(c) The details of efforts made during last three years to bring about improvement in the working of this enterprise?

## Answer

THE MINISTER OF OF CHEMICALS AND FERTILIZERS (SHRI S.S.DHINDSA)

(a) : HAL is a company under reference to the Board for Industrial andFinancial Reconstruction(BIFR) under the provisions ofSick Industrial(Special Provisions) Act, 1985. The Government has conveyed to the BIFR in March 2002 that it is agreeable for achange in management of the company.

(b) & (c): A Statement giving the details is enclosed.

Statement referred in reply to part (b) & (c) of the Lok Sabha Unstarred question No. 1243 for 23.7.2002
(b):
AMOUNT OUTSTANDING TOWARDS BANKS FROM HAL AS ON 1.3.2002
(Rs. (in lakhs)
Bank Loan Interest Total

Central Bank of India356.23 - 356.23 Oriental Bank of Commerce 205.03- 205.03 Punjab National Bank799.11 - 799.11 Vijaya Bank 154.76 - 154.76 State Bank of India2657.49 3098.66 5756.15 Bank of Maharashtra235.21 543.79 779.00 UCO Bank339.52 156.90 496.42 Canara Bank 3500.00 2831.25 6331.25

Total: 8247.35 6630.60 14877.95

(c): Measures taken by the company during the period 1999-2000 to 20001-2002 to bring about improvement in working of the enterprise:

(1) Stringent cost control measures, resulting in saving of raw material cost etc.
(2) Introduction of VRS from 1996 onwards resulting in reduction of 622 employees.
(3) Leasing out of Streptomycin drug facilities resulting in net income of Rs. 4 crores per annum.
(4) Restructuring of marketing department and distribution channel which has resulted in better performance and in cutting expenditure.
(5) Product mix of the company revamped and new product profile introduced resulting in better returns.
(6) Management has introduced changes in the set up to make the company more competitive.